Human Events *A Weekly Analysis for the American Citizen*
*Combined with the Magazine* ANALYSIS
*Editorial Office* 1710 Rhode Island Ave., N. W., WASHINGTON 6, D. C. *Telephone* NATIONAL 2066

VOL. VIII, NO. 21, *Issue Number* 382, MAY 23, 1951 ★ *Editor:* FRANK C. HANIGHEN ★ *Associate Editor:* FRANK CHODOROV

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## THEATRE ON THE HILL

By Howard Buffett

The OPS show is sick. Recently, its two top pitch men, Eric Johnston and Mike DiSalle, put on a spectacular performance before the House Banking and Currency Committee -- in the drive to secure a new lease of life for the OPS, which is due to expire under the law on June 30.

Eric Johnston, the evangelist of the team, opened the show with an off-the-cuff travelogue and closed with this solemn plea: . . . "we can secure stability . . . and this, with the help of God, we will do". By even sophisticated Washington standards, his was a good act. To a trusting soul from the hinterlands, Eric would have passed as an inspired crusader.

Funnyman DiSalle did equally well. His sharp wisecracks contrasted well with his baby-faced frankness, giving the final impression of good humor and honesty.

But the show did not click. Why, I do not know for sure, although I offer my interpretation below. Years ago the OPA hearings played to a full house of Committee members, plus other Congressmen. When Johnston appeared, on the other hand, only eight of the twenty-six members were present. Only once during the day did he address a quorum of the Committee. One visiting Congressman was observed during the session.

Perhaps this display of Congressional indifference reflects public sentiment. The evidence is accumulating that the OPS is being generally assessed for what it is -- an economic narcotic to deaden the fact of inflation and delay its consequences. The great American Farm Bureau has taken a categorical stand against extending the OPS. By unanimous vote, John L. Lewis' United Mine Workers' executive board has reached the same verdict. A poll conducted by a midwestern newspaper showed a clear majority against price and wage controls.

This popular revolt against the OPS is of prime importance. It spells a situation pregnant with possibilities.

II

If none of the genuine and effective remedies for inflation are applied, sooner or later currency deterioration will be greatly accelerated. Currency deterioration means higher prices.

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As against this inflationary current, the present economic tide is decidedly deflationary. Inventories, from manufacturers' warehouses to household attics, are the highest in history. Commodity prices have had some bad breaks. The long postponed drop in prices would be a present reality -- if the natural economic forces could free themselves from unlimited Government spending and printing-press money.

But, not even the most productive economy in history -- competitive American enterprise -- can produce goods as fast as a profligate Government can waste them; the shortages thus created must hold prices up. Nor can the price level stand up against a sharply increased issue of paper currency and bonds. Therefore, the break in the price level that theoretically ought to occur is stopped.

Can inflation be stopped? Certainly. Only the Government can cause inflation, and only the Government can prevent it. There would be no fear of rising prices -- no excuse for OPS -- if these four steps were taken:

1. A ruthless reduction in Government spending. Can you find any top New Dealer urging this remedy?

2. A tax program to absorb much, if not all, the "hot money" generated by defense expenditures. Stiff selective sales and excise taxes are in this category.

3. A sharp lifting of interest rates to discourage forward buying and business expansion. After much squirming, the Federal Reserve Board recently inched up interest rates a wee bit, with little more effect than a garden hose on a flaming house. Yet, when Chairman Martin came before the House Banking and Currency Committee during an OPS hearing, he admitted under questioning that the Federal Reserve Board could break the back of the boom by substantial hikes in the interest rate.

4. A sound money program -- which means the replacement of our present fiat money with money redeemable in gold. Irredeemable money is simply the promise of the Government to replace pieces of paper with pieces of paper. And, since the Government can manufacture as many pieces of paper as it has a mind to, confidence in that kind of money is bound to shrink. One is inclined to swap it for things before it will fetch less things; one does not stock up on ripening bananas.

On the other hand, money redeemable in gold takes the "power of the purse" out of the hands of the Government and lodges it with the people. It exercises a silent but effective restraint on public spending. It is an automatic check on inflation. Those who advocate printing-press money have no answer to the question: "What historic evidence can you

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offer to support the notion that inflation can be halted in absence of currency redeemable in gold on demand?"

III

Since none of these remedial measures are consistent with the political purposes of the Administration, they resort to the economic narcotic known as OPS. The Korean War provided the "emergency" for its introduction, and the Administration confidently hoped for general acquiescence, similar to the experience of the OPA. The hope proved false; the patriotic fervor that favored OPA is not behind OPS.

The people are certainly disturbed over Soviet expansionism, but they are not satisfied with either the origins or the management of the affair in Korea. They have a strong suspicion that the Administration must "keep the war going" as an alibi for, and to distract attention from, the inflation on which New Deal political fortunes (both kinds) are based. The OPS has stuck in their throats.

To counter this rising resistance to controls, the Administration proposes a rough and ruthless law, requiring the employment of thousands of enforcement agents. Like a diseased person addicted to dope-taking, the country is to be administered bigger and better doses of regimentation to deaden the pain of advancing inflation. (The incidental advantage of increasing the bureaucracy is not to be overlooked.)

The physicians who are doctoring the economy with narcotics are compelled by political considerations to continue this sort of therapy. Any stoppage of the inflationary spending (and money tinkering) would spell the doom of the Administration. It is not to be expected that they would vote themselves out of office to save the country from ruin.

On the other side, the management of the GOP is most apprehensive lest they be maneuvered into responsibility for the inevitable debacle. Having originally watched -- and oratorically, at least, opposed -- the dangerous policies of the Administration, they have no taste now for playing any heroic role. They respect the uncanny ability of the New Deal apparatus to shift the blame from its own shoulders. Hence, the opposition is inclined to let the Administration pursue its fatal course.

IV

The public's attitude toward OPS has been characterized by complete non-cooperation. Its directives are being ignored. Its propaganda is falling on deaf ears. Whether the Administration likes it or not, the attitude of the public is recorded on that extremely sensitive body, the Congress. Perhaps that is why the hearings on the Administration's OPS bill are so poorly attended, and interest in it is so lacking.

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To me, this attitude of the public is quite heartening. Four years ago -- March 18, 1947 -- I predicted on the floor of the House that as a result of the Truman policy of global intervention:

> "OPA regimentation and coercion would be reimposed under the old forms or in some new sugar-coated version."

It was not difficult, in view of the spending program of the Administration, to make that prediction, nor to foretell, as I did then, the Korean affair. But, what I could not anticipate is the present reaction of the people to price and wage controls.

Perhaps the innate common sense of the American people is beginning to assert itself. The double-talk of economic "experts" cannot obscure from their consciousness the fact even a first-quality five-ton truck will be destroyed if you consistently load twenty tons on it and punish it with gruelling drives. That long-suffering creature, the American taxpayer, cannot indefinitely carry the combined deficits of the non-Russian world, plus the "welfare" schemes created by power-hungry politicians. And, being American, he is putting in a protest.

Yes, the revolt against OPS may be the warning signal that the rank and file have awakened to the dangers of our global adventures. Certainly it indicates that there will be no easy public acceptance of the compulsion and skullduggery of this agency, the one thing the Administration has counted on to keep them quiet while inflation and "world-saving" activities continue.

That is why, I think, the OPS show before the House Banking and Currency Committee, is fizzling out.

It is time, then, for some deep soul-searching on the part of those in high places. The American people are approaching the mood of those patriots who presided over the Boston Tea Party. They are showing their capacity to resist oppression, whether it comes from abroad or from within. That, indeed, is their patriotic duty. If, however, they are seduced into acceptance of OPS, the great American dollar will go the way of the French franc after World War I -- and their heritage of freedom will be lost in the ultimate disaster of inflation.

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Congressman Buffett (Nebraska) is a member of the House Banking and Currency Committee now holding hearings on the Administration's OPS bill. He has long been an advocate of sound currency. In 1948 HUMAN EVENTS published his "Our Irredeemable Paper Money".

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Not Merely Gossip *A Supplement to* Human Events Vol. VIII, No. 21

By Frank C. Hanighen May 23, 1951

THE PENTAGON IN THE WALDORF: Right under the noble Roman nose of General MacArthur in the Waldorf Astoria Hotel, in New York, Assistant Secretary of State Dean Rusk exploded a bombshell which has fragmented opinion among those in the Nation's Capital who seek to make rhyme if not reason out of the chaos of our foreign policy.

Rusk -- if he meant what he said -- told the China Association dinner guests that the State Department had thrown over its traditional hostility to the Nationalist Government, now roosting on Formosa. He declared (if he meant what he said) enmity towards the Chinese Communist Government at Peiping, which Mr. Acheson had for long been seeking to appease, if not bring into the United Nations.

The result of Rusk's talk was a babel of argument among critics of the Administration. Some said it spelt a complete reversal of the Acheson appeasement policy in the Far East and this was the result of MacArthur's forensic efforts. Others, reflecting on the record of Acheson and his aides, retorted that Rusk's statements were simply words, words, words. As a matter of fact, there was evidence of cagy phraseology in the Rusk prose: Chaing Kai-shek was not once mentioned, only the Nationalist Government of China which he heads. It is recalled that the State Department has had dreams of replacing Chiang as real head of that government.

Be that as it may. The real significance of the Rusk speech -- according to those who study the over-all intent of the Administration -- was that it was designed to placate MacArthur and keep him quiet. The Administration thought-controllers achieved their big success (as we have frequently pointed out) by closing the hearings on Capitol Hill from public view. Thus, they temporarily at least broke the circuit (the only circuit they really fear) between MacArthur and the people. But these thought-controllers are now terrified lest MacArthur again come out in public, suitably televised, and revive the uproar of a month ago.

People in Washington, who claim that the Administration strategy is now shaped by experts in mass psychology, assert that the fever chart of White House apprehension diminished in more recent weeks as these experts reported abatement of the mass feeling against the Administration, and offered hope that it would completely die down. But last Wednesday, the White House got confidential advices from Houston concerning the Houston Chronicle's poll on the Grand Debate. The poll not only showed overwhelming sentiment for General MacArthur in the great Democratic state, but what was more significant -- and disturbing -- registered an unprecedented number of responses from those polled. Never had such returns been counted, it was reported.

In short, the test indicated that mass electricity still abounded. Hence, if our informants are to be believed, the State Department, via Rusk, released its "appeasement of MacArthur".

All that may well be so. But, what is known with certainty is that the Administration is highly nervous about MacArthur's plans, if any. So far as this column has been able to determine, the "little Pentagon" (as White House aides wryly call it) in the Waldorf Astoria has made no definite plans as yet. But the thought-controllers cannot afford to assume that. A sphinx without a secret can worry them as keenly as one holding for early release a portentous utterance.

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REPORT ON LAST WEEK'S HEARINGS OF THE SENATE FOREIGN RELATIONS AND ARMED FORCES COMMITTEES: Confusion, as planned.

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REPORT ON EISENHOWER: The "Third Man" is the General in Europe. (The political situation is dominated by Truman, MacArthur, Eisenhower.) Without Eisenhower, Truman would have cut an even more pitiful figure than he did throughout most of last winter. Ike saved the day for him on "troops for Europe". Since the advent of MacArthur, the President has enjoyed the services of only such weak reeds as the aging Marshall and the dutiful Bradley. For, Eisenhower has not responded to suggestions that he visit Washington and join in the Grand Debate. The great general-politican has found other things to do, far away.

Indeed, protegees of the Administration in the press are now rather worried lest the role of the General in Europe become conspicuously farcical. So self-consciously preoccupied is the General with his task of creating a European Army to challenge the millions of the Russian Bear that his "military posture" has -- in the past few days -- led him on a tiring journey to visit that great North Atlantic Union power -- Denmark. The Danish Army numbers 20,000. From there he has gone to Norway (army -- 16,000).

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EISENHOWER HOUSE: The Eisenhower partisans are not idle. We have in mind the historic first conference of a new organization named the American Assembly of Columbia University. The New York Times (note the prominence and coverage that paper gave the occasion on May 22) reported that the Assembly had been "conceived" by General Eisenhower (during the brief periods he spent in his office as President of the University), and "had been founded to seek the truth about vital national issues".

That may be its purpose, and it may prove as "impartial" and "neutral" in its handling of national issues as the Bureau of Internal Revenue requires in its stipulations as to how tax-free foundation money is spent. (These two words, and more, are scattered sagely throughout the elegant booklet describing the Assembly.) But we know by this time how many foundations turn out. The Carnegie Endowment Fund for Peace started out to preserve peace; what it finally got was Mr. Alger Hiss as President. And the Ford Foundation has fallen under suspicion.

The American Assembly headquarters are housed in Arden House, in Harriman, New York, not unnaturally since Mr. Averell Harriman (whose office is in the White House) together with his brother started it off with the gift of this house. It is part of Columbia University, which ensures tax exemption for its purposes.

Significantly, the first discussion this week was held not on Asia (the focus of the current political debate) but on the "relationship of the United States and Western Europe". Senator Taft spoke and tried to draw the subject back to the area where we are fighting a war. But the Assembly put on Senator Paul Douglas who restored the proper perspective by dwelling on the importance of Western Europe. General Eisenhower sent a message of regret that he couldn't attend.

But, to any percipient person, the General's shadow fell athwart the proceedings. For some months, we have been hearing from the grapevine various rumors of a new country-wide organization, unofficially of a bland, "impartial" character, but actually to boost the political stock of the General. The bulletin of the Assembly stresses that planning for the creation of the organization took place in Texas, California, Colorado, Illinois, Ohio, Missouri, Indiana, West Virginia, Minnesota, Pennsylvania and New York.

As a matter of fact, we heard of the matter first -- in February -- from a friend in Houston who said he spotted the Assembly project as an Eisenhower political front. On its surface, of course, as now announced, it is simply a "discussion" group, all very "impartial" and "neutral". But the sophisticated must by this time know that it depends on who runs it, who sets the subject of discussion and how the speakers are screened. We are not informed in detail as to how many "cells", the Eisenhower-for-President organization has so far formed, but our guess is that they

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are numerous. When he finally returns from Denmark and Norway and a few other places, perhaps he can find out from Eisenhower -- beg pardon -- Arden House.

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RED FRONT: Experts on Communist infiltration are worried about the state of security in our atomic setup. Generally, the negligence exposed in the trials of the atomic spies recently in New York was disturbing. Specifically, now, there is concern about several scientists who, while cleared by the Atomic Energy Commission, have such political and social records that they cannot remain above suspicion. Even if such suspicion is unjustified, there is such a thing as kidnapping. If they should disappear behind the Iron Curtain, Russia's gain would be substantial.

It is recalled that the Italian atomic scientist Pontecorvo last year took refuge in Russia and he knew altogether too much about atomic processes. Among well-informed people here there is fear that we may have another Pontecorvo case.

---- The Red international propaganda front has projected a new international peace magazine. Its contributors and editors are the same old crowd, led by Ilya Ehrenburg. Before long, you will hear of it via the Daily Worker.

---- The House Un-American Activities Committee may face a test before long in the matter of the scheduled hearings of General Willoughby, former Intelligence chief for MacArthur. Willoughby is said to have a list -- taken from Communist archives -- which includes a number of alleged American Communists in the U.S. Government. Will the House Committee take this testimony in secret or open hearings? If the former, it will confirm that the House group is still covering up for the Democratic Administration. If the latter, then it will show its independence of the White House. Or will the McCarran Committee on Internal Security forestall the House group, take over Willoughby and his files and produce a real hearing?

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THE BRAND OF TYDINGS-ISM: There's a lot of courteous prattle about the high-mindedness of Senator Russell in his conduct of the current MacArthur-Marshall-Bradley hearings. It is true that the Senator has so far presided over the hearings in an unexceptionable manner -- once they started. But he played the White House game by his insistence on making them "closed" to the public. This was the advantage for which the Government "thought-controllers" were prepared to settle; by that ruling, MacArthur was shut off from television. Had he been televised, the Administration experts feared, the former Far East Commander would have been able to further arouse the people.

In Senatorial cloakrooms, there is a rather realistic explanation for the Georgian's attempt to play fair. Senators say that Russell's attitude arises from his fear of being accused of "Tydings-ism". Any legislator dwells reflectively on the fate of Senator Tydings last year: the Maryland Senator presided over a "whitewash" of an investigation called to look into fellow travellers and Communists in Government; the voters in his state took swift revenge at the polls and ended Tydings' political career. Russell no less than others has taken this lesson to heart. He obviously does not wish to bear the brand of what has become known as "Tydings-ism".

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APPEASEMENT AND DEFLATION: Although Marshall and Bradley talk of dire perils in Asia and Europe, it may be that the Administration for which they are such vocal spokesmen actually fear far more something right here at home. What is it?

Congressman Buffett (our contributor this week) put the phantom terror into blunt terms recently while questioning Mobilization Chief Wilson in the House Banking and Currency Committee hearings (May 8). He asked: "What would be the effect on the American business picture if the Russians made a genuine bid for peace tomorrow? . . . Now we are in a kind of complicated picture, aren't we when we get a

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business situation, so that if there was a gleam of light to come through on peace, business would fall out of bed?" Mr. Wilson dodged by saying he had not brought his crystal ball. Neither he nor few others would like to examine the real nightmare -- deflation. If peace were to break out suddenly in Korea, the horrors of peace to the men in the trenches of Constitution Avenue would be worse than the real horrors in the rice paddies of Korea.

Now this interpretation of Administration attitudes is no cold-blooded, cynical view held by dyed-in-the-wool Truman adversaries. It is a reaction that more than one reporter has obtained directly from Government officials. It harmonized perfectly with any number of signs and statements noted in the Washington newspapers. Even Fair Deal columnists have talked of the brooding apprehension among bureaucrats of what might happen to our economy if peace should come suddenly. Nor would rearmament for Europe provide a cushion. General Marshall's frequent observations on the failure of the people to make sacrifices for the Korean war would gain in cogency if actual combat ceased, and only a goal in peacetime Europe were the announced incentive of popular submission to taxes, controls, etc.

In fact, it is not an unfair statement to say that the same seesaw kind of warfare which had been going on for months (before the present Red offensive) would be the most desirable situation for the directors of our political system. To put it in more brutal terms, the expenditure of 1,500 U.S. casualties a week in what such organs as the New York Herald Tribune and Washington Post pleasantly call a "holding operation" is the price the Administration seems willing to pay to maintain the miserable status quo.

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MORE: Beggars never get enough. Harold Wilson, President of the British Board of Trade, believes that our newspapers ought to go on an austerity diet so that the press of England might have more newsprint. He said: " A 1 per cent reduction in consumption in the United States would enable us to restore all recent cuts in supplies, get rid of tonnage rationing and resume circulation on a 6-page basis." Before our newspapers go to cutting out their sports sections or obituary notices, for the benefit of the starved press of England, it might be pertinent to ask whether the shortage could not be overcome by the government in which Mr. Wilson holds a cabinet position; how much paper does that government consume for propaganda purposes?

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CAPITALISTS: The stockholders of the American Telephone and Telegraph Company, according to its latest report, total 1,000,000, two-thirds of whom are women. . . . This brings to mind a figure of twenty millions in America who own stocks in corporations, not including indirect ownership through insurance policies, pension funds, etc. The diffusion of ownership is being encouraged by the splitting up of high-priced stock so as to entice those of smaller means. Figuratively speaking, all American "widows and orphans" will soon be capitalists. When the Government goes in for complete Socialism, will it haggle with these owners or will it pay the full market price? If it decides, for political reasons, to pay the full price (by printing dollars), will not the quotations go up in anticipation of the cheapening of the dollar? How high will they go? Page Einstein!

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LEHMAN: On the fourth page of our Foreign Supplement section in this issue, we offer a penetrating review of a book on the history of UNRRA. We might recall that the Chief of this ineffable organization which provided so much help to the Communists abroad was Mr. Herbert Lehman. Today, Senator Lehman stands in the forefront of critics of General MacArthur, supports the Administration program on foreign affairs and votes as far Left as anyone in the Democratic majority on domestic matters. By their record, let you know them. . . .



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European Supplement *to* Human Events Vol. VIII, No. 21

MAY 29 '51

By Bertrand de Jouvenel Paris -- May, 1951

THE RIGHTFUL SHARE: Explaining to the British House of Commons his resignation as President of the Board of Trade, Mr. Harold Wilson said: "We embarked on this rearmament program as a part of a joint effort by members of the Atlantic community and of the Commonwealth, and on the basis that our partners would make available to us our rightful share of the materials available. We have not had our rightful share." He went on: "I hope we may still get it, but today British industry stands disorganized and threatened by partial paralysis. The American government and people have got to choose between their partners' defense program on the one hand and their own stockpiles and the level of unrestricted civil consumption on the other." ("Hear, hear", from the Laborites.)

In this one paragraph Mr. Wilson condensed the major lines of the coming demagogy. Note the formula: "that our partners would make available" -- suggesting American responsibility for procuring raw materials in general, not only those indigenous to American soil but presumably also those which come from sterling areas; if these are too expensive, the American buyer, not the sellers, is to be blamed. Note further the reference to stockpiling, with no recognition of the fact that the object of stockpiling is to enable the American economy to work at top speed for the defense of Europe.

But, the main points in Mr. Wilson's complaint are the insistence on the "rightful share" and the attack on "unrestricted civil consumption". Here we have the unfurling of the redistributionist banner in Atlantic relations. The inference of "rightful share" is that a really cooperative defense effort calls for an allocation of raw materials. But, what is the "rightful" allocation? Is it determined by effectiveness? Is it determined by past consumption? Is it determined by military considerations, restricting their use for civil purposes in a manner equalizing sacrifices? Or, are the sacrifices demanded of the civilian population to be on the basis of contributive capacity, those who have been living best being called upon to give up most?

Mr. Bevan, whose resignation preceded that of Mr. Wilson, implied that the defense effort should be undertaken by Britain only if it did not call for abandoning any part of the Welfare State. But, as the Western defense program, on the score of raw materials alone, can hardly be carried out without cutting down something or other, the implication is that the Americans alone should suffer the cuts. In Mr. Bevan's opinion, this is quite right, since the Americans enjoy the highest living standard. What does Mr. Reuther think of this idea?

Is it not clear that we are getting our first inkling of a demand that is to be increasingly pressed in the future: a demand for international redistribution? If it is fair to redistribute within the nation, why not within a wider area?

* * *

BOLD NEW VENTURE: Thanks to M. Queuille's determination, the French will vote on June 17. Despite Mr. Atlee's determination, a British election may well be held in the Fall. Observers generally agree that the vote in both countries will reflect the trend away from Socialism, noticeable for the last three years. The question now is whether the governments emerging from these elections will courageously alter the course followed in both countries since the war, or will merely content themselves with calling a halt.

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Merely calling a halt to Socialism will indeed be a boon to Socialism. Mr. Bevan's fondest hope is to see a Conservative government loaded down with the rearmament while respecting "the conquests of Socialism"; the best such a government can expect is blame for its failure. The chances are that Mr. Bevan's hope will be realized, since the Conservatives are lacking in a bold new program, one that offers an alternative to Socialism.

The progress towards complete Socialism will not be retarded unless the more articulate citizenry realize that they can be progressives without being Socialists, that in fact they can be progressives only if they oppose Socialism. This probably sounds paradoxical to the generation educated in the last fifteen years. Yet, the fact is that Socialism is reactionaryism of the worst kind. Guaranteeing jobs was a tenet of the medieval guilds, and the breakup of these labor monopolists was considered progress. In the name of progress, the Socialists advocate the planning of production by public officials, forgetting that this brings in its wake the monopolization of the individual. They favor the concentration of wealth in agencies run by government favorites without realizing that this was exactly what the Age of Enlightenment sought to destroy. They seem incapable of understanding that continuing a man on a job when he does not give a good account of himself is anti-social and regressive, not progressive.

It is remarkable how rapidly a body of acquired truths can be lost by a society, education notwithstanding (or, shall we say, with the help of education?). Aristotle had to be rediscovered and now Adam Smith needs rediscovery. The problem of our early economists was how to enlist the individual in the service of the community, and they found the solution not in political pressure groups but in the incentives to individual production. Modern Socialism has completely lost sight of this social truth.

It is no less remarkable that the mind immersed in Socialism is incapable of drawing obvious conclusions from facts. A case in point is the behavior of Persia toward the Anglo-Iranian Co. The British do not seem to realize that they are getting a bit of their own tampering with property rights. A Socialist government finds itself in the position of "the bad capitalist" whom it is quite proper to dispossess by law; the affair has the makings of an Elizabethan comedy that could be called "The Despoiler Despoiled". It is of course a serious business, because what international investment can be undertaken after this experience? But, the destruction of rights by law, the violation of contracts by the very officials whose business it is to enforce contracts, is also a serious business. Is it not time that this basic truth be again understood?

One wonders whether too much has not been made of an "age of science" that is so forgetful of primitive truths. It would indeed be a brave new program that would be based on their recognition.

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FRENCH ELECTION AND AFTER: We shall vote again, as in 1946, with the large constituencies each having a ticket of several members. The attempt of the Radicals to return to the small one-member constituency was balked by an alliance of Communists and M.R.P.

What tickets shall we have to choose from? One, the Communist; two, the Socialist; three, the M.R.P.; four, the R.G.R., a congeries of small parties around the Radicals; five, the Independents; six, the Gaullists. What do these party names mean? The Communists and Socialists call for no explanation. The remainder make a confused picture, for both the American reader and the French voter. The line of demarcation among them can best be put in question form: was it good to use the Liberation as an occasion for a political and social revolution, not to restore the Third Republic but to set up a Fourth; to institute political juries; to make in-

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eligible nine-tenths of the members of previous parliaments; to release a spate of nationalization; to sieze press properties and distribute them among friends? The answer of the M.R.P. leaders is Yes. The Radicals and Independents say No.

The leaders of the M.R.P. are young men who began their political careers in intimate association with Communists and Socialists; but, having left the Communists in 1947, they are now eager not to be separated from the Socialists. The leaders of the R.G.R. and of the Independents have no special yearning to work with the Socialists. They are older men; the president of the R.G.R. is Daladier, the president of the Independents is Paul Reynaud. They resent the freezing-out of both the traditional center and the traditional right by the M.R.P. when it succeeded, after the election of 1946, in presenting itself as the only opposition to the Marxist parties; it achieved that position by parading as DeGaulle's own party. On the other hand, the M.R.P., the Radicals and the Independents are distinguishable from the Gaullists by their distrust of personal power in itself, the General's in particular. Between General Charles DeGaulle and the M.R.P. feelings run high, because the General cannot forgive its leaders for having claimed him for election purposes and then repudiated him.

Between the R.G.R. and the Independents there is no clear distinction, except that the Radicals cherish the idea of being a part of the left, as in the old days, when radicalism was opposed to conservatism and could pick up Socialist votes on the second ballot. In fact, as I write, conferences between Independents and Radicals for an electoral alliance are being held. Daladier is for, Herriot against it.

It is not easy to discern what kind of government will come out of these elections. Most foreign observers hope the "center" will win -- that is, non-Communists and non-Gaullists. Such a government would be made up of four warring groups, with few points of agreement. It would not be capable of taking positive action. Nor would the prestige of public authority, now very low, be raised.

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SOCIAL CHANGE IN FRANCE: It is not generally realized that France has undergone an even greater, though less systematic, social change than England. Statistics on incomes subject to taxation are most illuminating. The income tax does not reach down very far in France, though it has been gradually extended, so that the information published applies mainly to the upper-income brackets.

The figures on incomes from real estate investments and the ownership of stocks and bonds are striking. Of the incomes assessed in 1938, there were 839 thousand real estate incomes totalling 5.2 billion francs. Of the more numerous incomes assessed in 1949 (3.88 million instead of 3.49), there were only 411 thousand real estate incomes, grossing 12.8 billion francs, the buying power of which was equivalent to only 0.85 billions of 1938 money!

In 1938, 747 thousand incomes from investments in stocks and bonds came to 9.5 billion francs. In 1949, only 587 thousand such incomes were large enough to be assessed, and they aggregated 27.5 billion francs, the equivalent in purchasing power to 1.8 billions before the war. Incomes from real estate and stocks and bonds amounted altogether to 23.1 per cent of all incomes assessed in 1938; in 1949 such incomes were 4 per cent of the total assessed.

The 1949 figures show that incomes from salaries and wages are on the increase, while incomes from capital investments are declining, both in number and in total. Perhaps the most interesting aspect of these figures is that unincorporated enterprise (mainly partnerships) is booming. The share of such undertakings has risen from 12.9 of the total amount of assessed incomes to 24.3 per cent. It must be kept in mind that these "mixed incomes" (from property and labor jointly) lend themselves best to dissimulation. The stockholder has suffered, the small entrepreneur has done relatively well. A new middle class is the gainer.

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# Book Events

UNRRA -- The History of the United Nations Relief and Rehabilitation Administration. Prepared by a Special Staff under the Direction of George Woodbridge. New York. Columbia University Press. Three volumes. $15.00. Reviewed by Hubert Martin.

When Fiorello La Guardia took over the direction of UNRRA in March 1946, he appointed as Director of Public Information, Mr. Joseph Lilly, who "discovered that the American people had an astounding ignorance of the nature of UNRRA and its work, but that it was now too late to put forward the basic information necessary for public understanding and expect it to be accepted as news". This ignorance still exists, and yet, the truth about UNRRA would even today make one of the most sensational news stories -- if only it were properly told. The official history of UNRRA fails to do that. It veils or suppresses many relevant facts, but enough can be plucked from its sixteen hundred pages to piece together the essentials.

Of the many mistakes by which we have propelled Soviet Russia into its present position of power, the organization and administration of UNRRA has been the gravest -- graver even than the withholding of aid from Chiang Kai-shek. It began with the "Acheson Plan" of May 1942. This plan shifted the center of influence from the Inter-Allied Committee on Post-War Requirements on which the fifteen nations then fighting Hitler had equal representation, to a group of four: China, Great Britain, Soviet Russia and the United States, and thus quadrupled Communist voting strength. Even more important, it excluded the potentially dissentient voices of Continental Europe during the policy-making phase. By the time they might have protested it was already too late. The United States and Great Britain, which together were to furnish 87 per cent of the funds, had already agreed on a course which at its best would have led to state socialism, and did in fact lead to Communism. Of the fifteen countries assisted by UNRRA all but six are now wholly or partly in Communist hands. The exceptions are Austria, Greece and Italy, protected by allied forces; traditionally anti-Communist Finland, distant Ethiopia and the Philippines.

The political course was set when the idea of giving direct relief to the men and women who needed it -- the "soup-kitchen" relief of Herbert Hoover which had won us the goodwill of thousands of people after the First World War -- was rejected in favor of turning over vast quantities of goods to national governments. The latter were not the legitimate governments which had been driven into exile, but the groups which were exercising "administrative authority" locally and which frequently owed their position to Communist backing. An UNRRA resolution had declared that relief and rehabilitation supplies were at no time to be used as a political weapon, and UNRRA had the right to withhold supplies in order to enforce this condition. The right was exercised only once -- to compel Chiang Kai-shek to send supplies into Communist-held areas which even according to the official history needed them much less and were ill-equipped to use them. No corresponding pressure was ever brought to bear upon Communist authorities.

But whatever UNRRA might declare, in those days of scarcity, supplies were a political weapon and by giving them away in this manner we determined their use. If the governments had had to buy them, they would have had to ask for foreign credits, a consequence which would have prevented them from embarking upon the confiscations and the nationalizations by which they sapped the strength of non-Communists and potential opponents. We have only reaped what we sowed.

Did the UNRRA officials who distributed the almost four billion dollars foresee what the harvest would be? This is neither an idle nor an untimely question for, as the official history proudly points out, some of them have moved over into key positions with other United Nations organizations, such as FAO. If they failed to foresee the results of UNRRA, they must have been very stupid. But are they stupid? If they are not stupid, where are they going to lead us next?



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